

FISCAL NOTE

SB 600 - HB 1679

March 13, 2003

SUMMARY OF BILL: Increases the formula used in calculating a Group I member's retirement allowance from 1.5% to 2.5%.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$1,094,400,000 Annual Amortized Cost

Increase Local Govt. Expenditures* - \$416,600,000 Annual Amortized Cost

Other Fiscal Impact - Increase Federal/Other Expenditures:
\$156,500,000 Annual Amortized Cost

Estimate above assumes:

- Total lump sum liability of \$16,662,490,000
- Annual amortized cost assumes a 20-year amortization of the lump sum liability
- K-12 teachers with a 60%-40% ratio between state and local funding

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director